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**CITE' DES ARTS**  
**FINANCIAL REPORT**  
**JUNE 30, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-2-04

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Society of Louisiana Certified  
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ACCOUNTANTS' COMPILATION REPORT

To the Management  
Cite' Des Arts  
Lafayette, Louisiana

We have compiled the accompanying statement of financial position of Cite' Des Arts as of June 30, 2003 and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

*Broussard, Poché, Lewis & Breaux, LLP*

Lafayette, Louisiana  
May 18, 2004

CITE' DES ARTS

STATEMENT OF FINANCIAL POSITION  
June 30, 2003

ASSETS

CURRENT ASSETS

Due from other agencies	\$ 60,000
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FIXED ASSETS, net

301,927
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Total assets

<u>\$ 361,927</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Overdraft	\$ 13,352
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Current portion of note payable	4,710
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Due to executive director	<u>14,801</u>
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Total current liabilities

<u>\$ 32,863</u>
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LONG-TERM LIABILITIES

Note payable	<u>\$ 135,671</u>
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Total liabilities

<u>\$ 168,534</u>
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NET ASSETS

Unrestricted	<u>\$ 193,393</u>
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Total liabilities and net assets

<u>\$ 361,927</u>
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See Accompanying Notes and Accountants' Report.

CITE' DES ARTS

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2003

REVENUES

Grant revenues	\$ 98,569
Production and class fees	44,522
Contributions	<u>18,960</u>
Total revenues	<u>\$ 162,051</u>

EXPENSES

Program expenses:	
Community theater and arts center operation	\$ 77,664
General and administrative expenses	<u>29,023</u>
Total expenses	<u>\$ 106,687</u>

Change in net assets	\$ 55,364
Net assets at beginning of year	<u>138,029</u>
Net assets at end of year	<u><u>\$ 193,393</u></u>

See Accompanying Notes and Accountants' Report.

CITE' DES ARTS

STATEMENT OF CASH FLOWS  
Year Ended June 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 55,364
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	15,572
Increase in accounts receivable	(60,000)
Increase in due to executive director	14,801
	<u>          </u>
Net cash provided by operating activities	<u>\$ 25,737</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	<u>\$ (112,761)</u>
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CASH FLOWS FROM FINANCING ACTIVITIES

Increase in overdraft	\$ 13,352
Principal payments on notes payable	<u>(9,619)</u>
	<u>          </u>
Net cash provided by financing activities	<u>\$ 3,733</u>

Net decrease in cash	\$ (83,291)
Cash at beginning of year	<u>83,291</u>
Cash at end of year	<u><u>\$ -</u></u>

See Accompanying Notes and Accountants' Report.

CITE' DES ARTS

NOTES TO FINANCIAL STATEMENTS  
See Accountants' Compilation Report

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

Cite Des Arts is a multi-use arts facility and French Cultural Center developed to promote and support the local arts and culture. The Organization's facility houses gallery space, classroom/workshop space, a reception area and a 100 seat performance space. The facility is available to local and touring artists, providing a variety of programming.

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting.

The Organization is an exempt organization for Federal income tax purposes under Section 501(c) (3) of the Internal Revenue Code.

Significant accounting policies:

Fixed assets -

Purchased fixed assets are recorded at cost at the date of acquisition. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Years</u>
Leasehold improvements	20
Equipment	7-10

Donated services:

The Organization receives donated services from unpaid volunteers who assist in program services during the year; however, these donated services are not reflected in the statement of activity because the criteria for recognition under SFAS No. 116 have not been satisfied.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS  
See Accountants' Compilation Report

Note 2. Fixed Assets

Fixed assets consisted of the following at June 30, 2003:

Leasehold improvements	\$ 308,568
Equipment	<u>8,931</u>
	\$ 317,499
Less accumulated depreciation	<u>15,572</u>
	<u>\$ 301,927</u>

Depreciation expense for the year ended June 30, 2003 was \$15,572.

Note 3. Note Payable

The Organization had the following note payable at June 30, 2003:

Note payable to individual in monthly installments of \$990, including interest at 5.00%, due June 14, 2012.	<u>\$140,381</u>
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Future principal payments at June 30, 2003 were as follows:

2004	\$ 4,710
2005	4,951
2006	5,205
2007	5,471
2008	5,751
2009 - 2012	<u>114,293</u>
	<u>\$140,381</u>

Interest expense for the year ended June 30, 2003 was \$7,312.

Note 4. Natural Classification of Expenses

	Program	General and Administrative	Total
Production/classes	\$ 47,075	\$ -	\$ 47,075
Wages	7,600	7,600	15,200
Payroll taxes	1,280	1,280	2,560
Depreciation	15,572	-	15,572
Insurance	-	5,373	5,373
Interest	-	7,312	7,312
Legal fees	-	1,457	1,457
Utilities	5,622	3,748	9,370
Telephone	407	1,628	2,035
Other	<u>108</u>	<u>625</u>	<u>733</u>
	<u>\$ 77,664</u>	<u>\$ 29,023</u>	<u>\$ 106,687</u>

NOTES TO FINANCIAL STATEMENTS  
See Accountants' Compilation Report

Note 5. Operating Lease

On March 1, 2002, the Organization entered into an agreement to lease the premises occupied by the Organization. The agreement expires February 28, 2012 and allows the Organization to use the premises rent free.

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INDEPENDENT ACCOUNTANTS' REPORT  
 ON APPLYING AGREED-UPON PROCEDURES

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To the Management  
 Cite' Des Arts  
 Lafayette, Louisiana

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We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Cite' Des Arts, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Cite' Des Arts compliance with certain laws and regulations during the year ended June 30, 2003 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Federal, State, and Local Awards**

- Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Cite' Des Arts federal award expenditures for all federal programs for the fiscal year follow:

Federal Grant Name	Grant Year	CFDA No.	Amount
N/A			
Total Expenditures			

*Retired:*

Sidney L. Broussard, CPA\* 1980  
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 James H. Breau, CPA 1987  
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2. For each federal, state, and local award, we randomly selected six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in procedure 2, we traced the disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the selected disbursements and found that all but one of the payment were for the proper amounts and made to the correct payees. One payment (check no. 166) did not have any supporting documentation; thus, we were unable to verify that it was for the proper amount or to the correct payee.

4. For the items selected in procedure 2, we determined if the disbursements were properly coded to the correct fund and general ledger account.

The payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the disbursements received approval from proper authorities.

Inspection of documentation supporting each of the selected disbursements indicated approvals from proper authorities.

6. For the items selected in procedure 2, for federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the Compliance Supplement (or contained in the grant agreement, if the program is not included in the Compliance Supplement) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to the following:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed. The disbursements complied with the allowability requirements.

Eligibility:

We reviewed the previously listed disbursements for eligibility requirements. The disbursements complied with eligibility requirements.

Reporting:

We reviewed the previously listed disbursements for reporting requirements. The disbursements complied with reporting requirements.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The six disbursements selected included no programs that were closed out during the period of our review.

### Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Cite' Des Arts is only required to post a notice of each meeting and the accompanying agenda on the door of the Cite' Des Arts office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion.

#### **Comprehensive Budget**

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Cite' Des Arts provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

#### **Other Findings**

10. Cite' Des Arts did not comply with applicable state law in the timely submission of the Compilation Report and Agreed-Upon Procedures report to the Legislative Auditor's Office. Under Louisiana Law, such submission of the financial statements and other data should have been submitted no later than December 31, 2003.

#### **Prior Comments and Recommendations**

11. We reviewed any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There was no agreed-upon procedures engagement performed for the year ended June 30, 2002; thus, there were no prior comments and recommendations.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Cite' Des Arts, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Broussard, Poche, Lewis & Breaux, LLP*

Lafayette, Louisiana  
May 3, 2004